

# Second Mortgage Reduction Plan

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This program is designed to assist income restricted homeowners who have a second lien interfering with short selling their home or the refinance / modification of their first mortgage.

It is expected that homeowners will extinguish their 2nd lien as a result of this program through a combination of funds contributed by both Nevada's Hardest Hit Funds and the participating Servicer; the maximum amount that Nevada's Hardest Hit Funds will contribute toward 2nd mortgage lien relief is \$16,500. In order to receive the full benefit, the participating Servicer must contribute \$0.60 for every \$0.40 contributed by Nevada's Hardest Hit Funds.

## Eligibility Criteria

- Legal US Resident
- Home is currently owner occupied
- Must have only one existing mortgage and a 2<sup>nd</sup> lien
- Borrower does not own any other real property
- Current income does not exceed 150% of AMI as published by HUD
- Hardship Affidavit
- Post-assistance mortgage payment (principal, interest, taxes and insurance) must be reduced to 43% or less of the homeowner's gross income
- Mortgage balance must not exceed \$729,750
- Borrower must be facing imminent default (no contrived defaults)

Homeowners that receive benefit assistance are required to own and occupy the subject property for 3 years following the date assistance was initiated, except when the borrower is pursuing a short sale.

Homeowner will be required to sign a promissory note which will be recorded for the amount of assistance received. This note bears zero percent interest and is forgiven over a three year period which commences when assistance is provided.

Additional terms and conditions apply.